



**MINUTES OF THE
CALIFORNIA INFRASTRUCTURE AND
ECONOMIC DEVELOPMENT BANK**

For the meeting held on
May 24, 2011
980 9th Street, Conference Center, 2nd Floor
Sacramento, California 95814

Chairman Jimenez called the meeting of the California Infrastructure and Economic Development Bank (I-Bank) Board to order at approximately 1:32 p.m.

1. Call To Order and Roll Call.

The following Board members were in attendance:

Augustin Jimenez represented the Secretary of the Business, Transportation and Housing Agency.
Pedro Reyes represented the Director of the Department of Finance.
Francisco Lujano represented the State Treasurer.
Anna M. Caballero, Secretary of the State and Consumer Services Agency.
D. Everett Rice, Governor's appointee.

The following I-Bank staff members were in attendance:

Stan Hazelroth, Roma Cristia-Plant, Molly Arnold, Marilyn Munoz and Paula Connors.

2. Executive Director's Report.

Executive Director Stan Hazelroth reported to the Board the following:

- He personally welcomed and introduced the I-Bank's new General Counsel, Marilyn Munoz. He also announced Molly Arnold will be retiring this year and that this is her last official board meeting. Mr. Hazelroth expressed his thanks for Molly's service to the I-Bank.
- On May 4, 2011, he was requested by the Urban Land Institute Trustees to serve on the Urban Land Institute Infrastructure Advisory Group for the 2011-2013 term and has accepted the assignment.

Consent Items:

3. Approve minutes from the meeting held on April 26, 2011.

Chairman Jimenez called for questions or comments from the Board and the public. Hearing none, he entertained a motion to approve this consent item. Mr. Reyes moved to approve the minutes and Mr. Rice seconded the motion. The minutes were unanimously approved.

Action Items:

- 4. Resolution No. 11-09 approving the sale, issuance and delivery of tax-exempt 501(c)(3) revenue bonds for the benefit of The Broad Collection, a California nonprofit public benefit corporation or a limited liability corporation to be formed, the sole member of which will be The Broad Collection, in a par amount not to exceed \$150,000,000, to finance an economic development facility in the City of Los Angeles, California.**

Ms. Connors presented a staff report in which she indicated The Broad Collection has requested up to \$150,000,000 in tax-exempt 501(c)(3) revenue bonds to be used for the development of a 114,000 square foot art museum facilities and infrastructure necessary or desirable in connection with the art museum, including a portion of a three level public parking garage, a public plaza and certain streetscape improvements along Grand Avenue. Ms. Connors indicated that the Broad Collection was formed in May 2010, for the specific purpose of constructing, owning and operating a museum of contemporary art in the Grand Avenue Redevelopment Project Area of downtown Los Angeles. She indicated the Project will provide an art museum housing a significant collection of post-modern art that will be made available to the public, and which will create direct and indirect economic development benefits as a result of visitor attraction to the community, and that in addition to creating approximately 1,340 construction jobs, the project is estimated create 40 to 50 permanent museum jobs. Ms. Connors introduced Deborah Kanter, General Counsel to the Broad Family Foundations, and Rick Jones, Bond Counsel with Nixon Peabody.

Chairman Jimenez called for questions or comments from the Board and the public. Hearing none, he entertained a motion to approve Resolution No. 11-09. Mr. Reyes moved to approve the resolution and Mr. Lujano seconded the motion. The resolution was approved by all of the Board members, with the exception of Mr. Jimenez who abstained.

- 5. Resolution No. 11-10 approving an amended and restated indenture and an amended and restated loan agreement and certain additional documents in connection with the addition of a new index based interest rate setting mechanism and permitting the use of such mechanism without credit rating or credit facility support for bonds marketed to qualified institutional buyers in connection with the anticipated tax reissuance and remarketing of all or a portion of the outstanding California Infrastructure and Economic Development Bank Variable Rate Demand Revenue Bonds (Orange County Performing Arts Center) Series 2008A and Series 2008B, initially issued for the benefit of the Orange County Performing Arts Center, a California nonprofit public benefit corporation doing business as the Segerstrom Center for the Performing Arts, to refinance an economic development facility in the City of Costa Mesa, California.**

Ms. Connors presented a staff report in which she indicated a request from the Orange County Performing Arts Center (OCPAC) also known as the Segerstrom Center for the Performing Arts for an amendment to the Series A and Series B bonds issued in 2008 to allow a portion of the bonds to be remarketed. She stated the purpose of the amendment is to add a new index-based interest rate mode which would permit the bonds to be held unrated by a qualified institutional buyer during the index rate period. She informed the Board that the 2008 Series A and Series B bonds are secured with letters of credit that are due to expire in the next few months, and in anticipation of the expiration of the letters of credit, the OCPAC has negotiated the remarketing of a portion of the 2008 Bonds for purchase by Wells Fargo Bank, National Association (Wells Fargo Bank) and another portion for purchase by Union Bank, N.A. (Union Bank)(collectively, the Purchasers). Ms. Connors stated that the portion of the 2008 Bonds not anticipated to be remarketed for purchase by Wells Fargo Bank or Union Bank will initially continue to be secured by a substitute letter of credit provided by the Bank of America, N.A. Ms. Connors

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introduced Roan Blacker from Public Financial Management, Financial Advisor to the Segrestrom Center for the Performing Arts.

Chairman Jimenez called for questions or comments from the Board and the public. Hearing none, he entertained a motion to approve Resolution No. 11-10. Ms. Caballero moved to approve the resolution and Mr. Reyes seconded the motion. The Board unanimously approved the resolution.

Other Non-Action Business.

Chairman Jimenez called for any other business; there was none.

Public Comment.

Chairman Jimenez called for any public comment; there was none.

Adjournment.

Chairman Jimenez declared the meeting adjourned at approximately 1:51p.m.